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STATE PROCUREMENT OFFICE
NOTICE & REQUEST FOR SOLE SOURCE

1. TO: Chief Procurement Officer
2. FROM: DAGS/State Foundation on Culture and the Arts
Department/Division/Agency

Pursuant to HRS §103D-306 and HAR Chapter 3-122, Subchapter 9, the Department requests sole source approval to purchase the following:

3. Description of goods, services, or construction:

Research data reflecting statistical comparisons of the arts industry in Hawaii and in other states. Comparative data starting from 2007 thru 2011 is to be provided to the SFCA for research and funding purposes beginning May 1, 2011. The data is essential to cite in requests for funding and project support.

4. Vendor Name: Western States Arts Federation (WESTAF)

Address: 1743 Wazee Street, Suite 300
Denver, CO 80202

5. Price:

\$6,000/year for initial
3 years

6. Term of Contract:
(mm/dd/yyyy)

From: May 1, 2011

To: April 30, 2013

7. Prior Sole Source Ref No.

0

8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities: The service is called the Creative Vitality Index, or CVI. The data can be used specifically for each county in Hawaii or the State of Hawaii in general. The Index can tabulate income from the non profit art sector in Hawaii, as well as other components of the arts industry such as the performing arts, media arts, book sales, and music industry. The system can track data for a given industry over a period of time to reflect performance and effectiveness and directional shifts.

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work: Given the State's economic constraints and a 37% cut in staffing between FY 2009 and FY2010, the SFCA needs to consider alternate revenue streams and innovative projects to program effectively and efficiently. We are currently approaching other organizations for funds, such as the Office of Hawaiian Affairs, the Hawaii Tourism Authority, and the Hawaii Community Foundation. The art of crafting a proposal to request sponsorship and/or funds relies on accurate data, to which we currently do not have access.

The CVI is the only research of its type that aggregates for-profit and non-profit data streams related to the creative economy and develops and index value for specific geographic areas.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because:

The fee of \$6,000 per year of study is very reasonable, given that research projects average twice that cost. WESTAF has made the CVI project available to its member states, not primarily as a source of revenue for itself, but as a source of sustenance for all of its 13 member state arts agencies to function effectively in their business, research, and development efforts. Access to the CVI promises to build the capacity of the user agency to produce more informed and viable arguments for solicitation purposes.

Most state arts agencies do not have independent research staff employed as FTE, yet all state arts agencies rely on field research for meaningful justifications.

12. Direct any inquiries to:

Department: DAGS/SFCA

Contact Name/Title: Ronald K. Yamakawa/Executive Director

13 Phone Number:

586-0301

Fax Number:

586-0308

Expenditure may be processed with a purchase order/pCard: ☐ Yes ☒ No
If no, a contract must be executed and funds certified.

Agency shall ensure adherence to applicable administrative and statutory requirements, including HAR Chapter 3-122, Subchapter 15, Cost or Pricing Data, if required.

14. *I certify that the information provided above is to the best of my knowledge, true, correct and that the goods, services, or construction are available through only one source.*

Department Head Signature

4/13/11
Date

Reserved for CPO Use Only

15 Date Notice Posted: 4/15/2011

Submit written objections to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer
State Procurement Office
P.O. Box 119
Honolulu, Hawaii 96810-0119

16. Chief Procurement Officer's comments:

Request has been withdrawn by the department. As a reminder, individual(s) participating in procurement activities must be in compliance with Procurement Delegation No. 2010-01 and Amendment 1, and Procurement Circular No. 2010-05, as appropriate.

17. ☐ APPROVED ☐ DISAPPROVED ☒ NO ACTION REQUIRED

Charles. J. [Signature]
Chief Procurement Officer

4/24/2011
Date

Memorandum

TO: Ronald K. Yamakawa, Executive Director, HSFCA
Estelle Enoki, Administrative Services Assistant

FR: Ryan Stubbs, Director of Research, WESTAF

RE: Hawai'i CVI Proposal and Recommendations

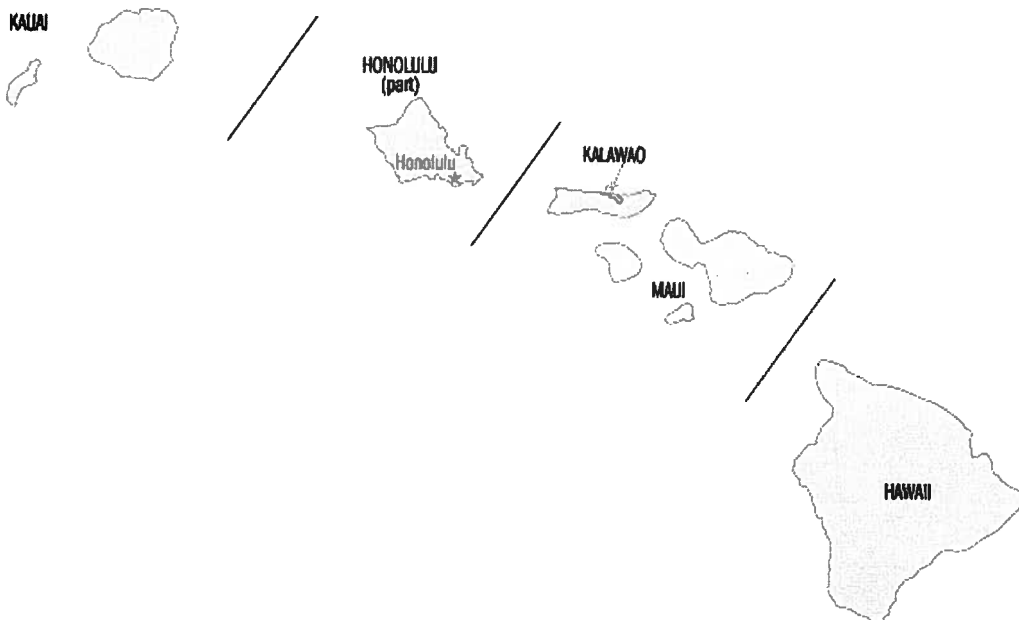
DT: April 6, 2009

CC: Anthony Radich, Executive Director, WESTAF

In response to your inquiry regarding the possible development of a Creative Vitality Index (CVI) for Hawai'i, I have conducted some preliminary research and wish to report on my findings. After you have had an opportunity to review this memo, I will be happy to meet with you via telephone and further explore the possibility of completing a CVI study for the state of Hawai'i.

Given the structure of the data collected for Hawai'i, and the unique geographic composition of the state, I believe the most beneficial core structure for a Hawai'i CVI would be a set of index values for the state as a whole as well as index values for each county—except for one combination of counties. The study would contain values for:

- The State of Hawai'i
- Kauai County
- Honolulu County
- Maui (Including both Kalawao and Maui counties)
- Hawaii County



Source: US
Census
Bureau

For one
year of
data, the
CVI,
including
index
values
and
detailed
tables for
each
county
(except for

Maui and Kalawao, which will be combined), could be conducted for \$6,000. The most recently available data would be representative of the 2007 calendar year. WESTAF also has access to 2006 calendar year data. An additional study that would be prepared concurrently using 2006 data could be conducted for an additional \$6,000.

A key characteristic of the CVI is its low cost basis that allows the Index to be updated annually. Such updates make the CVI an effective means with which to track changes in the creative economy. This trend data has been effectively used by state and local arts agencies for both advocacy and planning purposes. Due to this feature of the CVI, WESTAF recommends agencies begin engagement with the CVI by initially commissioning two studies. By doing so, agencies establish a strong baseline from which to measure their CVI movement in the future. Also, this strategy allows study sponsors to immediately receive trend data, making for a richer analysis of the data.

The proposed Hawai'i CVI would contain the following data outputs:

Tables for the State of Hawai'i and for the four regions with data reported for each of the Index's seven measures of participation in the arts. These measures are:

- Income of nonprofit arts organizations
- Income of "other" nonprofit organizations with a record of arts activity
- Per capita CD and bookstore sales and consumption
- Per capita musical instrument and supply store sales and consumption
- Per capita photography store sales and consumption
- Per capita performing arts sales and consumption
- Per capita art gallery and individual artist sales and consumption

Tables for each of the 37 occupations included in the Index for the State of Hawai'i and each of the four regions for which data is available.

Additional Background Information

Economic development interests are increasingly considering the creative economy as an area in which to strive for growth. That segment of the overall economy (which includes for-profit as well as nonprofit creative activities) is now known to serve as an engine of growth itself, in addition to making a contribution to an area's quality of life. The Creative Vitality Index (CVI) is a framework for conceptualizing the elements of a region's creative economy and also a tool for tracking change in that economy.

Unique Properties of the CVI

- The CVI is the only research of its type that aggregates for-profit and non-profit data streams related to the creative economy and develops an index value for specific geographic areas.
- Data streams included within the CVI have been developed and refined by researchers over the past five years. This refinement of creative occupations, industries and nonprofit organizations included within the CVI has created a highly relevant and unique data set. No other study uses this series of measurements.

- The CVI was developed by a nonprofit organization to serve as a low-cost tool to measure the health of an area's creative economy. The fee for the study is thousands of dollars less than other research that would need to be specially commissioned at substantial expense.

An example of effectively using CVI data as a communication piece is shown on the website of the Oregon Arts Commission:

<http://www.oregonartscommission.org/main.php>

I hope this memo provides you with enough initial data for you to make a decision regarding commissioning the research. I will contact you early next week and answer any additional questions you may have.